

HOW DOES CULTURE AFFECT MULTILATERAL NEGOTIATIONS IN THE WORLD TRADE ORGANIZATION (WTO)?

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ABSTRACT

This paper aims to tell about negotiators in multilateral negotiations in WTO. The main question of this research is: Does international negotiator, in multilateral forums, have a homogeneous negotiating style* or a national negotiating style*? From this previous question can be inferred the following questions: How are international negotiators in multilateral negotiations? Are they influenced by their national negotiating style? Can we really say that the cultural variable influences on multilateral negotiations or can we say that it is a homogenization process in these?

KEYWORDS: International Negotiation, WTO, Homogeneous Negotiating Style, National Negotiating Style

INTRODUCTION

The international negotiations have become a common practice between international actors to satisfy interests, to guarantee interchanges in all senses, and to defend national interests of states in the new global scenario.

As negotiation participants we can contribute to the design of the interests of the different states. Where these negotiations are a communication process (pacific way) between two or more subjects of international law*, with a shared goal: to establish, modify, and give solution to issues; and the result has to satisfy all the parties in the negotiation.

When we talk about States as subjects and as principal negotiators in international negotiation we have to considerate that these are influenced by culture and that each one is different. Every state involved in a given negotiation will have its own national negotiating style; for example, negotiation with Asian people is different from negotiation with European people.

In this sense, the national negotiating style is configured by history, the political system and place of the state in the world, and, above all, by culture -defined here as the beliefs, value system, religion, customs, language (verbal, non verbal), traditions, behavior pattern of a given group of people.

*The term homogeneous negotiating style, is a style to negotiate which is more attached to the rules and protocol of multilateral forum or International Organizations; as well as being a style that is not influenced by the national culture of the negotiator.

* National style of negotiation is the way that negotiators discuss and this is determined by its culture, history, political system, etc., being culture the most significant element..

*They are typical subjects of international law: states and international organizations mainly, it also includes non-governmental organizations, non-States entities such as members of federal States, belligerents, insurgents, national liberation movements, and international territories are granted a sort of international legal personality. Special international status was granted to the Holy See and the Vatican City, and the Sovereign Order of Malta.

This paper aims demonstrate the following argument: Although each country has its own national negotiating style, nevertheless in international multilateral negotiations, like WTO, we can see a homogeneous negotiating style or international diplomatic culture, because rules of international organizations, multilateral forums and powerful countries determine the style of negotiation.

METHODOLOGICAL FRAMEWORK

This study was qualitative and it used deductive method, because research went from general to particular issues; the theoretical part of the multilateral international negotiations within the WTO will be developed first, and then how the cultural variable affects WTO's members.

As a result of the importance that has gained international trade, we chose the WTO, because is the international mechanism that facilitates and sets the rules in this area at global level; therefore, the knowledge of this organization, which currently has 163 members¹, means a priority for International Relations and to all States members. To know how to conduct negotiations within the framework of the WTO is necessary to achieve goals within this institution and to get discussions most successful for parties.

The research techniques are documentary (books, magazines, videos, etc.) and interviews with principal actors of multilateral negotiations in WTO.

Generalists and Specialists

In the field of negotiation studies there has been a struggle between generalists and specialists.

On one hand, specialists give importance to culture. They say that culture affects negotiation, and they focus on analyzing differences among states and their national negotiating styles. [Hall (1976), Jöhnson (1990), Blaker (1999), Berton (1999), Graham (1999), Faure (1999), Kimura (1999), Friedheim (1999), Adair y Brett (2004,) Jeswald Salacuse (2004)].

On the other hand, generalists stress the importance of general theory applicable to all negotiation. They argue that²: 1) Negotiation is a universal process, using a finite number of behavioral patterns; 2) International organizations have produced an international diplomatic culture that socializes all diplomats into similar behavior. [Zartman y Berman (1982); Zartman (1993, 1999), Berridge (2002), Touval (2002), Rudolf Avenhaus y I. William Zartman (2007)].

Culture and International Negotiation

In this sense, when culture and international negotiations are discussed, authors refer to the concept of intercultural communication, high and low cultural context³, and negotiating style of West and East⁴.

Intercultural communication is a communication among people with different linguistic and cultural backgrounds. Edward T. Hall, who used this concept for the first time in his book *The Silent Language* in 1959, in collaboration with the linguist George L. Trager, established the original paradigm for intercultural communication, drawing particularly on (1)

¹ Data up to March 2nd, 2013, according to the official website of the WTO: <http://www.wto.org>

² See Peter Berton, Hiroshi Kimura y I. William Zartman, *International Negotiation. Actors, Structure/Process, Values*, Macmillan Press, USA, 1999, p. 93.

³ Among the major theorists of intercultural communication and the high and low cultural context are: Edward T. Hall and Geert Hofstede.

⁴ Wendi Lyn Adair and Jeanne M. Brett.

the Whorf-Sapir theory of linguistic relativity, and (2) Freudian psychoanalytic theory⁵.

This concept is useful in understanding cultures other than one's own and vital for success in international negotiation. Without a good preparation in intercultural communication the negotiator will not be able to achieve goals established on international negotiation.

The following is an explanation of high and low cultural context. Edward Hall introduced, in his book Beyond Culture in 1976, two concepts for culture (low context culture and high context culture) and also differentiated these aspects of culture:

In low context culture, discussions consist of a distribution of resources and do not build relationships [this implies a zero-sum game, i.e. a situation in which a participant's gain (or loss) of utility is exactly balanced by the losses (or gains) of the utility of the other participant]. But negotiators, in high context culture, consider negotiation as a relationship-building, rather than a distribution of resources (a non zero-sum game, win-win).

On one hand, communication in low context culture is direct/explicit; this implies that the negotiator uses both nonverbal and verbal forms in their language, in very clear and specific ways. On the other hand, communication in high context culture is indirect/implicit; this means that information and language are vague and imprecise.

Negotiators, in low context culture, are individualistic and have greater freedom to carry out their own interpretations of reality in international negotiations; they feel indifferent to social groups to which they belong and may be considered free agents, achieving personal goals rather than social obligations within a discussion. They are guided by reason rather than emotion and they use distributive strategies rather than cooperative.

Negotiators, in high context culture, are interdependent or collectivist; this implies that are conceived within the context of social groups on which they depend, and are forced by social commitments to preserve prestige and harmony. Therefore, their behavior is guided more on emotion than reason and the strategies of the negotiators will be to create value with cooperative goals based on trust (integration strategies).

United States and Germany are countries representative of low context culture and China, Hong Kong, Taiwan and Japan are examples of high context culture.

Adair and Brett also establish elements of different styles of negotiation. On the one hand, the western culture, on the other the eastern culture⁶ type.

People from Western cultures tend to have independent, also called individualistic, self-constructs. They understand themselves as independent or detached from the social groups to which they belong and view themselves as agents, free to focus on personal goals for self-realization rather than on social obligations.

People from Eastern cultures tend to have interdependent, also called collectivist, self-constructs. They tend to understand themselves within the context of the social groups to which they belong, and view themselves as agents constrained by social obligations to maintain harmony and preserve "face" within the social groups to which they belong.

⁵See Everett M. Rogers, William B. Hart and Yoshitaka Miike, "Edward T. Hall and The History of Intercultural Communication: The United States and Japan" in Keio Communication Review, No. 24, 2002, p. 19. Retrieved from <http://www.mediacom.keio.ac.jp/publication/pdf2002/review24/2.pdf>.

⁶Next characteristics are from Adair and Brett "Cultural and Negotiation Process", Gelfand, Michele J. y Brett, Jeanne M., The handbook of Negotiation and Culture, Stanford Business Books, Stanford, California, 2004, pp. 158-170.

An independent self-construct seems to be a worldview that is naturally associated with the low context perspective that negotiation is about distributing resources, not so much about relationships. An interdependent self-construct seems to be a worldview that is naturally associated with the high context perspective that negotiation is about relationships first, and then about distributing resources. See Table 1.

Table 1: Culture and Negotiation Processes: A Model (Eastern and Western Cultures)

Region	East		West	
Self-Construal	Interdependent		Independent	
Communication Norms	High Context		Low Context	
Beliefs	Relationship Building		Distribution of Resources	
Goals	Cooperative Trust	Competitive Dominance	Cooperative Joint gains	Competitive Individual gains
Behaviors	Indirect information sharing	Affective influence	Direct information sharing	Rational influence

Source: Adair and Brett "Cultural and Negotiation Process", Gelfand, Michele J. y Brett, Jeanne M., The handbook of Negotiation and Culture, Stanford Business Books, Standford, California, 2004, p. 160

In addition, Jeswald Salacuse says the impact of culture on negotiation is in goals, attitudes, personal styles, communications, time sensivity, emotionalism, agreement form, agreement building, team organization and risk taking. See Table 2.

Table 2: The Impact of Culture on Negotiation

Negotiation Factors	
Goal	Contract/Relationship
Attitudes	Win-Lose/Win-Win
Personal Styles	Informal/Formal
Communications	Direct/Indirect
Time Sensitivity	High/Low
Emotionalism	High/Low
Agreement Form	Specific/General
Agreement Building	Bottom Up/Top Down
Team Organization	One Leader/Consensus
Risk Taking	High/Low

Source: Salacuse, Jeswald W. Negotiating: The top ten ways that culture can affect your negotiation. Ivey Business Journal, Septiembre/Octubre, Londres, 2004

In summary, It is true that culture can affect some aspects of international negotiation. However, I argue that when a negotiator wants to achieve goals they can leave their culture if this interferes with their goals. Furthermore, in international organizations there is a common behavior of bargaining and a specific protocol of negotiation.

RESULTS

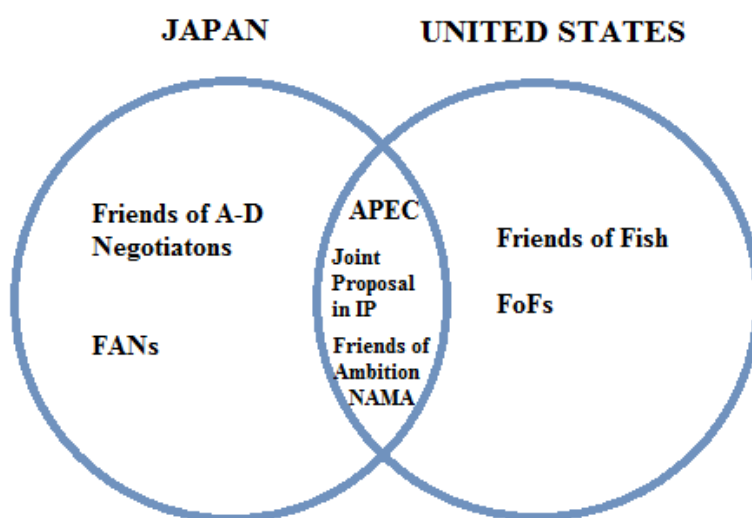
Negotiating in WTO

When we look at the conduct of negotiations within the WTO, we can see a different process of international negotiation. This is because countries negotiate in groups or coalitions and not individually; that make us think that in this forum the cultural variable doesn't affect discussions because each group sets the rules of negotiation.

In these sense, countries have formed coalitions in the WTO. These groups often speak with one voice using a single coordinator or negotiating team⁷.

For instance, in the case of Japan and United, they are part of some groups. See Diagram 1 . As we can see, most of the time USA and Japan negotiate together except in groups FANs and FoFs, so in WTO these two countries have same ways of negotiate and rules of protocol, and also they could have similar interest on WTO's negotiations.

Additionally, in WTO's negotiations, USA and Japan were part of a group called the "Quadrilaterals" or the "Quad" (Canada, European Union, USA and Japan).



Source: Compiled by the Author Based on WTO's data

Figure 1: Groups of WTO's Negotiations (Case of Japan and United States)

Nowadays, "the new Quad", the "Four/Five Interested Parties" (FIPS), the "Quint" and the "G-6" includes Australia, Brazil, European Union, India, Japan and United States.

As there is a specific schema of negotiation in the WTO based on these groups, it is difficult to appreciate national negotiating style of each country. Cultural aspects of countries are presented but there is a particular way of negotiating in each group in WTO, and this particular way is established by these groups, perhaps and especially by the most powerful countries within them.

By way of example, Kenya's ambassador said, on a video of WTO, that small delegations have several difficulties because they cannot participated as efficiently as possible, they are not able to participate in all negotiations because there are five or six meetings each day, such as a delegation like Kenya that is composed by three people cannot attend to all negotiations, and nobody else is going to achieve their goals at the WTO⁸. In this sense, powerful countries with a large number of delegates have more negotiation power in WTO and they can set rules and protocol at negotiations.

International organization, like the WTO, recognize international negotiators as commonly bound by the standards and interests to rules and the policies of the organizations.

⁷ Cf. WTO, Groups in the negotiations, Retrieved from: http://www.wto.org/english/tratop_e/dda_e/negotiating_groups_e.htm#grp003

⁸ See http://www.wto.org/english/forums_e/students_e/students_e.htm

Some of these rules or principles, according to the WTO's informational web materials, are⁹:

- **Single Undertaking:** Virtually every item of the negotiation is part of a whole and indivisible package and cannot be agreed separately. "Nothing is agreed until everything is agreed".
- **Participation:** The negotiations are open to all WTO members and to observer governments negotiating or intending to negotiate membership. But decisions on the outcomes are only taken by members.
- **Transparency:** The negotiations have to be transparent.
- **Special and Differential Treatment:** The negotiations have to take fully into account the principle of special and differential treatment for developing and least-developed countries.

Negotiation in WTO is transparent, by consensus, participation is open to all its members. These are some rules that set a specific negotiating style in this organization. However, as we see, sometimes some countries cannot attend to meetings because they don't have enough human resources.

DISCUSSIONS

The specialist theories of negotiation have not considered how the process of globalization affects the way countries negotiate, nor the fact that culture may become less important in the face of specific, pragmatic goals in a given negotiation.

Furthermore, specialist theories do not take into account the possibility that there may be a particular way of negotiating within multilateral forums that is independent of the cultural background of the participants.

The generalists' perspective support our argument, because negotiation is a universal process for all kinds of negotiation so it doesn't matter if it is a negotiation between any culture it is universal with common behavioral patterns and also international organizations shape negotiating style into a international diplomatic culture. In this case, we can say that there is a homogenous negotiating style in multilateral organizations.

Added to this, at the multilateral level, when more than two States are negotiating, the cultural differences and negotiating style appear to be more uniform in order to achieve their needs and goals within the discussion. Specifically, there is a homogeneous negotiation style at multilateral negotiations.

We cannot reduce negotiators in low and high context culture, because sometimes there is a low context culture's negotiators that use characteristics of high and low context culture at the same time without making a strong difference between these contexts. In other words, despite a negotiator is from high or low context culture, a negotiator can use indirect and direct communication.

For a further study, Social constructivism will be used for a better approximation to the object of study (as it explains how identities are creating over time) and as a methodology network analysis, which will serve to determine whether the WTO negotiators are connected with their counterparts and whether these relationships generate an exchange of information that can build a distinctive style of negotiation between them.

⁹ See http://www.wto.org/english/tratop_e/dda_e/work_organ_e.htm

CONCLUSIONS

Although many scholars argue that each country has its own national negotiating style, nevertheless in international multilateral negotiations like WTO we can see a homogeneous negotiating style or international diplomatic culture because rules of international organizations, multilateral forums and powerful countries determine the style of negotiation.

This can be demonstrated because generalists perspective stress the importance of general theory applicable to all negotiation. In these sense, negotiation is a universal process, using behavioral patters; international organizations have produced an international diplomatic culture that socializes all diplomats into similar behavior, for example, WTO's principles bound a specific negotiating style.

As we saw above, in WTO is common for countries set coalitions to defend a common position in a negotiation and in these coalitions there are an explicit coordination and patterns of rules of behavior for each country. Also these coalitions have their own common position because most of them are a result of economic integration and have the same goals in trade negotiation and they want to increase their bargaining power.

Some coalitions are homogenous and others heterogeneous but at the end all coalitions have to decide by consensus. Although a group whose members are heterogeneous is less likely to reach agreement than a more homogenous group. In sum, there is a particular and homogeneous negotiating style in WTO which is determined by this organization and by powerful countries. It can be said that there are homogeneous negotiators determined by the global environment and less influenced by national negotiating style, especially in international multilateral negotiations. Then, the cultural variable doesn't interfere with determine the goals and objectives in the negotiation.

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